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## Taiwan

**Post:** Taipei

### March 23 Update on the 2010 Rice CSQ Tender

**Report Categories:**

Grain and Feed

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**Report Highlights:**

On March 23, Taiwan completed the tender for 8,050 tons of US-origin short/medium grain rice during the second tendering. This tender was re-specified from the incomplete 2008 tender for U.S. long grain. As a result, Taiwan made significant headway in reducing the 2008 rice CSQ shortfall.

Taiwan also announced for April 7 a tender for 20,000 tons of US-origin medium/short grain for delivery by August 31, 2010 under the 2010 traditional tender scheme.

As of March 23, Taiwan has completed tenders of 17,500 tons of the 2010 rice CSQ, with completion rate of 18.6 percent, all under SBS tender scheme. U.S. CSQ tender completion rate stands at 9 percent.

(Exchange rate: \$1=NT\$31.88, quoted on March 23, 2010.)

## **General Information:**

### **I. March 23 Update on Incomplete 11,500 tons of the 2008 U.S. Rice CSQ Tender (re-specified from long grain tender)**

GF4-970-302 for 8,050 tons U.S.-origin short/medium grain brown rice for delivery by June 30, 2010

Taiwan successfully completed the tender on March 23 at the second tendering. Three out of four bidders were awarded, of which two were awarded 7,000 tons combined at NT\$22,891/mt or \$718.3/mt while the remaining 1,050 tons at NT\$22,999/mt or \$721.42/mt.

GF4-990-048 for 3,000/mt of U.S.-origin short grain glutinous milled rice (3,450 tons brown equivalent) for seller's choice of crop year 2009 or 2010 and for delivery by end of 2010

The tender failed the first tendering held on March 18. The second tendering date has not been announced.

## **II. The 2010 CSQ Tender Schedules and Results**

### **1. Traditional Tenders:**

On March 23, Taiwan announced the first 2010 CSQ tender under traditional system, GF4-990-069.

GF4-990-690 for 20,000 tons US-origin Short/Medium Grain Brown Rice

The tender is scheduled on April 7 for delivery by August 31, 2010.

### **2. SBS Tenders:**

The second tranche of 3,200 tons of the 2010 U.S. rice CSQ failed the first tender held on March 23 because offered bid prices were below Taiwan's Agriculture and Food Agency (AFA) set bottom price based on price difference between U.S. and Taiwan. However, 1,000 tons of Thai CSQ was successfully awarded to two bidders 500 tons each at the same price of NT\$8.601/kg (\$269.79/mt)

GF4-990-041 for 3,200 tons of US-origin

The tender failed on March 23 at the first tendering because offered bid prices were below AFA set mark-up price which was calculated in accordance to price difference between U.S. and domestic rice.

Twenty-two bidders participated in the bid, of which fourteen bided for 1,000 tons each, three for 230 tons each and the rest five for respective 370 tons, 500 tons, 690 tons and 920 tons. The offered bid price range varied with the highest of NT\$4.800/kg (\$150.56/mt) and lowest NT\$0.558/kg

(\$17.5/mt). With comparison, awarded prices on the December 29, 2009 of the first tranche 2010 US SBS CSQ tender were NT\$2.188/kg and NT\$2.011/kg, whereas domestic rice price has gone up NT\$1.62/kg since December 2009. Average domestic milled rice price were NT\$31.26/kg in December 2009 while in 2010 they were NT\$32.53 in January, NT\$33.30/kg in February and NT\$32.88/kg in March as of March 23.

GF4-990-042 for 6,000 tons Australia-origin

The tender failed the first tendering because only one bidder participated in the bid. It requires at least three bidders' participation at the first bid.

GF4-990-043 for 2,000 tons Thailand-origin

1,000 tons of Thai SBS CSQ was successfully awarded to two bidders 500 tons each at the same price of NT\$8.601/kg (\$269.79/mt)

Nineteen bidders participated in the bid, of which one bided for 2,000 tons, seven for 1,000 tons and the others bided for respective 920 tons, 690 tons, 500 tons, 310 tons, 260 tons and 100 tons.

GF4-990044 for 2,500 tons of Egypt-origin

The tender failed the first tendering because offered bid prices were lower than pre-set mark-up.

Seven bidders participated in the bid, of which five bided for 1,000 tons and the other two for 500 tons with the highest offered bid price of NT\$3.200/kg (\$100.37/mt).

**Table 1: The 2010 CSQ under SBS Tender**

Overview on 2010 SBS Allocation in metric tons:			
	1st Tranche	2nd Tranche	Total
Australia	6,500	6,000	12,500
Egypt	0	2,500	2500
Thailand	4,000	2,000	6,000
<b>USA</b>	<b>6,000</b>	<b>3,200</b>	<b>9,200</b>
Total	16,500	13,700	30,200

**Table 2 – Taiwan's 2010 Country-Specific Quota (CSQ) for Public Sector Imports (3/23/2010 update)**

Country	SBS System	Traditional Tender System	Total
Egypt	2,500	0	2,500

Thailand	6,000	<b>2,300*</b>	8,300
Australia	12,500	6,134	18,634
USA	9,200	55,434	64,634
2009 Total	30,200	63,868	94,068

As of March 23, Taiwan has completed tenders of 17,500 tons of the 2010 rice CSQ, with tender completion rate of 18.6%, all under SBS scheme. U.S. CSQ tender completion rate stands 9%.

**SBS Tender:**

Taiwan has completed the first tranche of 16,500 tons of SBS tenders by 2/11/2010 for importation by 12/31/2009, and 1,000 tons of the second tranche of 13,700 tons of SBS tenders on 3/23/2010 for importation by 04/30/2011. (\* Taiwan adjusted the Thai 2010 rice CSQ tenders by moving 2,300 tons of the previously proposed SBS tender to under traditional tender.)

**Traditional Tender:**

A total of 55,434 tons of U.S. rice CSQ will be divided into three tenders. The first 20,000 tons has been scheduled for 04/07/2010. The second tenders for 20,000 tons and the third tender for 15,434 tons will be scheduled later than previous anticipated in may/June timeframe.

The 6,300 tons of Australia CSQ and 2,300 tons of Thai CSQ are pending to be announced.